

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ALEXANDER E. JONES and) CASE NO: 22-33553-cml
OFFICIAL COMMITTEE of)
UNSECURED CREDITORS,) Houston, Texas
Debtor.) Friday, September 13, 2024
12:01 PM to 12:09 PM
-----)

MOTION HEARING

BEFORE THE HONORABLE CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For Chapter 7 Trustee:	CHRISTOPHER R. MURRAY Jones Murray LLP 602 Sawyer Street, Suite 400 Houston, TX 77007 832-529-1999
For Christopher Murray, Chapter 7 Trustee:	JOSHUA WOLFSHOHL Porter Hedges LLP 1000 Main Street, 36th Floor Houston, TX 77002 713-226-6000
For U.S. Trustee:	JAYSON B. Office of the United States Trustee 515 Rusk Street, Suite 3516 Houston, TX 77002 713-718-4650
For Alexander E. Jones	VICKIE L. DRIVER Elliott, Thomason & Gibson, LLP 511 N. Akard, Suite 202 Dallas, TX 75201 214-390-2086

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CHAPTER 7 TRUSTEE'S EXHIBITS

RECEIVED

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1 HOUSTON, TEXAS; FRIDAY, SEPTEMBER 13, 2024; 12:01 P.M.

2 (Call to Order)

3 THE COURT: Okay. Good afternoon, everyone. This
4 is Judge Lopez. I'm going to call the 12:00 case of
5 Alexander Jones here in connection with a motion to sell.
6 I'll take appearances in the courtroom and then we'll
7 proceed with folks on the line.

8 MR. WOLFSSOHL: Thank you, Your Honor. Joshua
9 Wolfshohl on behalf of Chris Murray, the Chapter 7 Trustee,
10 who is also in the courtroom, Your Honor.

11 THE COURT: Okay. Good morning.

12 MR. MURRAY: Good afternoon, Judge. Chris Murray,
13 Chapter 7 Trustee.

14 THE COURT: Okay.

15 MR. MARTIN: Jarrod Martin for the Texas
16 Plaintiffs.

17 MR. RUFF: Jayson Ruff for the U.S. Trustee.

18 THE COURT: Okay, Mr. Ruff. Anyone on the line
19 wish to make an appearance, I'd ask that you please hit five
20 star, and we will proceed. We've got one party. Here's a
21 214 number.

22 MS. DRIVER: Good afternoon, Your Honor. Vickie
23 Driver for Alex Jones.

24 THE COURT: Good afternoon, Ms. Driver. Okay.

25 Mr. Wolfshohl?

1 MR. WOLFSHOHL: Thank you, Your Honor. As Your
2 Honor knows, we previewed this motion with the Court a
3 couple of days ago at a status conference.

4 THE COURT: Mm hmm.

5 MR. WOLFSHOHL: What I'd like to do is, first off,
6 ask the Court to admit the exhibits that we filed at Docket
7 Number 841, Exhibits 1 through 6, and then I was going to do
8 a short proffer of Mr. Murray's testimony if that's okay,
9 Your Honor.

10 THE COURT: Okay. I'm going to admit the docs at
11 841 are admitted and let's proceed with the proffer, then.

12 (Exhibits 1 through 6 entered into evidence)

13 MR. WOLFSHOHL: Thank you, Your Honor.

14 THE COURT: Mr. Murray, let me have you raise your
15 right hand. Do you swear to tell the truth, the whole truth
16 and nothing but the truth?

17 MR. MURRAY: I do.

18 THE COURT: Okay.

19 MR. WOLFSHOHL: Your Honor, if called to testify,
20 Mr. Murray would testify that he was appointed, as Your
21 Honor knows, as the Chapter 7 Trustee in this case on June
22 the 14th of 24 -- 2024. At the time of the conversion, the
23 Chapter 11 case had been pending for approximately a year
24 and a half. Among the pending matters at the time of the
25 Trustee's appointment was the marketing of the Debtor's lake

1 house in Austin, Texas on Lake Travis. Address is 5240
2 McCormick Mountain Drive.

3 Your Honor approved a motion -- an application to
4 employ and to enter into a listing agreement in connection
5 with this house back in January of 2024. The order that
6 Your Honor entered was at Docket Number 574, and it's also
7 Exhibit 6 in the exhibits that Your Honor just admitted.
8 The broker, pursuant to that agreement, staged the property,
9 obtained photos for the property listing, listed the
10 property through Multiple Listing Services, and actually
11 showed the property over 40 times to prospective buyers as
12 well as other agents -- brokers and agents. That listing
13 agreement actually expired May 16th of 2024. The broker has
14 presented to the Trustee a cash offer from, what we
15 understand to be a disinterested buyer, for \$1,080,000. It
16 also includes in addition to the real property, some
17 miscellaneous personal property that's located in, I
18 believe, the garage of the property.

19 The relief requested today is that the Court
20 authorize the Trustee to proceed with that contract and to
21 sell the property pursuant to the terms of that contract.
22 That contract is at Exhibit 2 of the exhibits that Your
23 Honor admitted. And I think the Trustee notified the Court
24 as to the purpose of the emergency consideration. It is
25 that this buyer is doing a 1031 exchange, and we understand

1 that today is the deadline for the buyer to designate this
2 property as part of the 1031 exchange. And so, that is why
3 we have asked the Court to consider this on an emergency
4 basis because we believe it is integral for the buyer for
5 following through with the proposal.

6 We also ask that the Court extend the listing
7 agreement for the broker. We're asking that that be
8 extended until the end of the year, December 31st, 2024,
9 specifically. And it's pursuant to essentially the same
10 terms as the original listing agreement. A six percent
11 commission, which as Your Honor knows, is a standard
12 commission for a real estate contract.

13 We also, pursuant to Exhibit 5, which is the
14 declaration of the broker, Jaymes Willoughby, we understand,
15 and the Trustee believes that there are -- that the broker
16 does not hold any interest adverse to the estate. Your
17 Honor previously found that when you entered the first
18 order. The broker has served as the listing agent for the -
19 - in the Chapter 11 case previously.

20 We also understand, and the Trustee believes that
21 the price is a fair price and it's reasonable under the
22 circumstances. The property has been marketed for roughly
23 nine months through public listings. The Trustee is not
24 aware of any liens, claims or encumbrances, but pursuant to
25 363, if there are any, they would attach to the sales

1 proceeds. The Trustee is not asking for permission to
2 disburse any of the sales proceeds as part of this motion.

3 And based on the input from the broker, we believe
4 that this price represents the best value for the estate.
5 If the sale doesn't close, we still ask that the listing
6 agreement be -- that we be authorized to extend the listing
7 agreement. In the event it falls through, we would want
8 this broker to continue to market the property for sale.

9 The Trustee asks that the Court grant the relief
10 requested in the motion. He's here to answer any questions
11 that the Court may have. And I'd also ask that we have
12 authority to extend the listing agreement so that if we do
13 close, we can pay the commissions that are appropriate and
14 also if it doesn't close, so that we can continue to market
15 the property for sale. And that's the conclusion of the
16 Trustee's proffered testimony.

17 THE COURT: Okay. Mr. Murray, you've heard the
18 statements. Do you believe they're true and accurate?

19 MR. MURRAY: Yes.

20 THE COURT: Any corrections you would make?

21 MR. MURRAY: No.

22 THE COURT: Okay. Does anyone have any questions
23 for this witness? Okay. Okay. Before the Court is an
24 emergency motion to sell non-exempt property free and clear.
25 I'm going to grant emergency consideration of the motion. I

1 believe that it is appropriate based upon the proffer. This
2 asset has been marketed sufficiently and there's been plenty
3 of work that's gone into it. I think the Trustee is
4 certainly exercising business judgment here, and I
5 understand why they're doing what they're doing and why they
6 need relief today. I'm going to find that the sale price is
7 the highest or otherwise best offer for the asset now. I
8 also think it's more than appropriate to extend the realtor
9 agreement.

10 So, I'm going to grant the relief requested. I'm
11 going to approve the sale. I'm going to find that the
12 purchaser is a good faith purchaser, and I've heard no
13 evidence of collusion here. So, I think you're entitled to
14 that finding as well, and I'm going to approve the sale
15 under Section 363(f) free and clear, and I'll sign the
16 order.

17 The proposed order, is that the one that's still
18 attached to the motion?

19 MR. WOLFSHOHL: It is, Your Honor.

20 THE COURT: Okay. I will -- I'll get it on the
21 docket now. Anything else we need to take care of today?

22 MR. WOLFSHOHL: I think that's all we have for
23 today, Your Honor.

24 THE COURT: All right, folks. Thank you very
25 much. Have a good day.

1 MR. WOLFSHOHL: Thank you, Your Honor.

2 THE COURT: We're adjourned for the day. Thank
3 you. Everyone's excused.

4 MR. MURRAY: Thank you, Judge.

5 MR. WOLFSHOHL: Have a good weekend.

6 THE COURT: Thank you.

7 (Whereupon these proceedings were concluded at
8 12:09 PM)

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I N D E X

RULINGS

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Emergency motion to sell non-exempt
property free and clear GRANTED

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C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing transcript is a true and accurate record of the proceedings.

A handwritten signature in black ink, reading "Sonya M. Ledanski Hyde". The signature is written in a cursive, flowing style.

Sonya Ledanski Hyde

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Date: October 11, 2024